

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

STARRED QUESTION NO:283  
ANSWERED ON:10.12.2002  
PRICE FIXATION ON IMPORTED FORMULATIONS BY NPPA  
P.R. KHUTE;S. SAIDUZZAMAN

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) whether it is fact that National Pricing Policy Authority had been fixing the prices of all imported formulations;
- (b) the profit being allowed on such imported formulations;
- (c) whether the Government are aware of the fact that several such imported formulations are being sold at prices exorbitantly higher than the ones fixed by the NPPA;
- (d) if so, the details thereof; and
- (e) the manner in which the NPPA monitors the prices of these imported formulations in the Indian market?

**Answer**

THE MINISTER OF CHEMICALS & FERTILIZERS ( SHRI SUKHDEV SINGH DHINDSA )

(a) to (e) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts(a) to (e) of the Lok Sabha Starred Question No.283 for answer on 10.12.2002 regarding Price fixation on imported formulations by NPPA.

(a) to (e) : Prices of Scheduled imported formulations are fixed as per para 7 of the Drugs (Prices Control) Order,1995 by the National Pharmaceutical Pricing Authority(NPPA). Para 7 provides that the landed cost shall form the basis for fixing its price alongwith such margin as to cover selling and distribution expenses including interest and importer's profit which shall not exceed fifty percent of the landed cost. Importers of non-Scheduled formulations can fix their price on their own as per cost of import and prevailing market competition etc. NPPA regularly examines the movement in prices of non-Scheduled formulations (including imported formulations) on the basis of information available to it from various sources. The prices fixed/revised by the NPPA for Scheduled formulations(including imported) are promptly communicated to the enforcing agencies, i.e. State Drug Controllers and also posted on NPPA's website. Follow up action is taken by writing to all major manufacturers/importers for ensuring implementation of the price fixed/revised by NPPA. NPPA has recently received a reference from the Karnataka State Drug Control Organisation regarding suspected overcharging in respect of imported insulin formulations.